DOCUMENT RESUME

ED 193 066 SE 032 969

TITLE	Energy Conservation: An Expanding Program Needing More Direction. Report to the Secretary of Energy by the U.S. General Accounting Office.
INSTITUTION	General Accounting Office, Washington, D.C.
REPORT NO	EMD-80-82
PUB DATE	24 Jul 80
NOTE	23p.: Contains occasional light and broken type.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (no price quoted).
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Energy: *Energy Conservation: Environmental Education: *Federal Programs: Long Range Planning: *Program Evaluation: *Public Agencies: Public Policy: Resource Materials
IDENTIFIERS	Department of Energy: Energy Education

ABSTRACT

The United States Department of Energy (DOE) has not succeeded in establishing overall energy conservation goals or in developing and implementing a comprehensive, coordinated national energy conservation plan. These failures continue to perpetuate confusion over how much energy conservation is needed, how well the country is conserving energy, and what additional steps need to be taken in order to realize conservation's potential contribution towards solving national energy problems. The opportunity to develop an aggressive and effective energy conservation strategy should not be allowed to slip away. Accordingly, this report presents recommendations for developing a long-range national energy policy, establishing conservation goals, and formulating a comprehensive national conservation plan. (Author/WB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED193066

BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Secretary Of Energy

Energy Conservation: An Expanding Program Needing More Direction

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

The Department of Energy's failure to establish overall energy conservation goals and to develop and implement a comprehensive, coordinated national energy conservation plan in support of those goals continues to perpetuate confusion over

--how much energy conservation is needed,

--how well the Nation is doing in its conservation efforts, and

--what more needs to be done over time to realize energy conservation's contribution in solving national energy problems.

GAO believes that the opportunity to develop an aggressive, effective conservation strategy for the Nation should not continue to slip away. Accordingly, this report makes several suggestions to the Secretary of Energy on establishing conservation goals and developing a plan to meet such goals.

SE 032 969

EMD-80-82
JULY 24, 1980

For sale by:

Superintendent of Documents
U.S. Government Printing Office
Washington, D.C. 20402

Telephone (202) 783-3238

Members of Congress; heads of Federal, State, and local government agencies; members of the press; and libraries can obtain GAO documents from:

U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20760

Telephone (202) 275-6241

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

ENERGY AND MINERALS
DIVISION

B-199149

The Honorable Charles W. Duncan, Jr.
The Secretary of Energy

Dear Mr. Secretary:

During the past 4 years, we have focused considerable attention on the effectiveness of Federal programs in achieving energy conservation. While we have been encouraged by recent statements by Department of Energy (DOE) officials that conservation is the administration's highest priority energy program, we continue to be concerned that DOE has yet to (1) establish overall long-term energy conservation goals, and (2) develop a comprehensive national plan to meet those goals. In our view, both goals and a comprehensive plan are essential to the implementation of an aggressive, effective, long-range program to guide the Nation toward using energy more efficiently.

In our on-going work, we have found that DOE still has not set overall national conservation goals which articulate conservation's contribution--in the near, mid, and long term--to meeting domestic energy needs. Although in June 1979 the President established a long-term goal for the use of solar and renewable energy resources, the Department has not taken a clear position on a complementary goal for energy conservation. Since no overall goals have been established, the Congress has little guidance in determining what mix of program activities is needed to achieve energy conservation.

In addition, the Department has yet to develop a comprehensive plan which details how the Nation can be moved to greater energy efficiency. Rather than describe how a national energy conservation strategy will be implemented, DOE planning documents identify existing or proposed conservation program activities. In our view, what is missing is an explanation of how separate DOE programs will

reinforce or complement each other, and what overall contribution is expected to be made by the combination of all programs and activities. Furthermore, since the Department has not established milestones for its programs in the context of achieving long-term conservation goals, it is not clear how the effectiveness of existing programs can be measured and the need for new programs determined.

We believe that DOE's failure to establish overall energy conservation goals and to develop and implement a comprehensive, coordinated national energy conservation plan in support of those goals continues to perpetuate confusion over:

--how much energy conservation is needed,

--how well the Nation is doing in its conservation efforts, and

--what more needs to be done over time to realize energy conservation's contribution in solving national energy problems.

The opportunity to develop an aggressive, effective conservation strategy for the Nation should not continue to slip away. We are aware that the Department is in the process of preparing both the third National Energy Plan and an integrated conservation and solar strategy, and that it has recently initiated a new multi-year planning system. The data generated by these planning efforts should help lay the foundation for the establishment of conservation goals and the development of a comprehensive plan. Moreover, we believe that recent events in the Middle East have increased public and congressional readiness to engage in discussion and debate over the direction of a national conservation program.

Accordingly, in this report we are making a number of suggestions which may prove useful in your policy development and planning efforts. We believe DOE should first establish overall conservation goals to provide a long-range policy framework and direction to Federal conservation activities. Once the goals have been set, the development of a comprehensive plan could begin. Such a plan should

--be national in scope and encompass all Federal conservation activities,

--lay out the strategy and the specific actions needed to achieve conservation goals,

--define DOE's leadership role for ensuring the success of the plan,

--establish milestones and a system for monitoring progress toward meeting the goals, and

--involve public discussion and debate on the direction and pace of Federal conservation efforts.

Our complete findings, conclusions, and recommendations are discussed in detail in appendix I of this report. Appendix II lists the DOE planning and budgetary documents which we reviewed in the course of our work and appendix III lists previous GAO reports which are related to matters discussed in this report. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of this report.

We are sending copies of this report to the four committees mentioned above; the Chairmen of energy-related congressional committees; and the Director, Office of Management and Budget.

We provided a draft of this report to DOE officials in the Office of Conservation and Solar Energy who expressed general agreement with our findings and recommendations. We

appreciate the courtesy and cooperation extended to our staff during our work and would appreciate being informed of the actions you take or plan to take on our recommendations.

Sincerely yours,

J. Dexter Peach
Director

Contents

		Page
APPENDIX		
I	DOE'S PROGRESS IN IMPLEMENTING OUR PREVIOUS RECOMMEMDATIONS	1
	Background	1
	Failure of DOE to provide clear direction in the energy conservation area	3
	Lack of clear energy conservation goals	3
	Lack of a comprehensive national energy conservation plan	5
	Suggestions for developing a national energy conservation plan	7
	Establishment of conservation goals	8
	Development of a plan	8
	National in scope and encompass all Federal conservation activities	9
	Lay out strategy and specific actions	9
	Define DOE's leadership role	10
	Establish milestones and a monitoring system	10
	Involve public discussion and debate	11
	Conclusions and Recommendations	11
	Agency Comments	13
II	DOE PLANNING AND BUDGETARY DOCUMENTS REVIEWED	14
III	PREVIOUS GAO REPORTS RELATED TO MATTERS DISCUSSED IN THIS REPORT	15

ABBREVIATIONS

DOE	Department of Energy
GAO	General Accounting Office
NEP	National Energy Plan

DOE'S PROGRESS IN IMPLEMENTING OUR PREVIOUS RECOMMENDATIONS

BACKGROUND

Since 1977, the administration has repeatedly emphasized the importance of conservation to a national energy policy. In April 1977, conservation was characterized as the cornerstone of the National Energy Plan (NEP I). The second National Energy Plan, issued in May 1979, stated that "conservation continues to offer the greatest prospect of reducing dependence on unstable imports, reducing energy costs, and meeting environmental goals." In announcing his import reduction program in July 1979, the President declared that conservation "is the most painless and immediate way of rebuilding our Nation's strength. Every gallon of oil each of us saves is a new form of production * * *." More recently, the President called on the American people to make 1980 a year of energy conservation.

DOE officials have stressed that conservation is the administration's highest priority energy program, and that the Department is committed to a vigorous program of energy conservation. The Secretary of Energy stated in his January 1980 Annual Report to the Congress that conservation offers an immediate means of reducing U.S. dependence on dwindling oil supplies while minimizing the economic and social costs of supply interruptions and represents the cheapest and most secure form of energy supply. He cited possible energy savings of up to 40 or 50 percent by the year 2010. Moreover, in February 1980, the Assistant Secretary for Conservation and Solar Energy testified that over the next 30 years, conservation can contribute more than any other single source of energy to meeting the Nation's energy needs.

Besides the administration's stated emphasis on conservation, the Congress has also recognized the need to move the Nation toward greater energy efficiency through the passage of three major pieces of energy conservation legislation--the Energy Policy and Conservation Act (P.L. 94-163), the Energy Conservation and Production Act (P.L. 94-385), and the National Energy Conservation Policy Act (P.L. 95-619). Also, under the Department of Energy Organization Act (P.L. 95-91), the Congress gave DOE a mandate to develop and implement a comprehensive energy conservation strategy.

However, despite administration policy statements and a clear congressional mandate to promote conservation, our past work has shown that a lack of consistent, specific planning and direction from the Federal Government in the energy conservation area has limited the success of the Nation's efforts to conserve energy. Deputy Secretary Sawhill underscored the lack of progress in the conservation area when he stated in November 1979 that the Nation has yet to curb its oil appetite, has yet to act decisively to conserve, and has yet to alter its dependence on OPEC for its daily energy lifeline.

In June 1978, 1/ we recommended that DOE develop and submit an energy conservation plan to the Congress which included:

1. Energy conservation goals by consumption sector.

2. Executive branch actions needed to achieve the established goals.

3. Milestones and a plan to continuously monitor each conservation program undertaken.

4. Proposals for standby authorities and initiatives for implementation if the energy conservation programs are not meeting established milestones.

In July 1979, 2/ we stated that the Federal Government still needed to get its energy conservation act together and take a more active leadership role in moving the Nation toward using energy more efficiently. To do this, we stressed the need for the administration to develop an energy conservation plan which clearly established overall national energy conservation goals and described the contribution that each of the various ongoing and proposed programs would make toward meeting those goals. DOE, in commenting on this

---

1/Report to the Congress, "The Federal Government Should Establish and Meet Energy Conservation Goals," EMD-78-38, June 30, 1978.

2/Report to the Chairman of the Subcommittee on Energy, Joint Economic Committee, "A Framework for Developing a National Energy Conservation Program," EMD-79-76, July 31, 1979.

recommendation, stated that it was in basic agreement on the need to develop a comprehensive energy conservation plan, and that it was in the process of developing key elements of such a plan.

As follow-up to our previous recommendations, as stated above, we reviewed key DOE planning and budgetary documents (see app. II for a listing) and interviewed DOE officials to determine if the Department had established energy conservation goals and developed a comprehensive plan to meet those goals. We also reviewed the public statements of key DOE officials and their testimony before congressional committees in order to assess the emphasis that the Department was placing on its energy conservation programs and activities.

FAILURE OF DOE TO PROVIDE CLEAR DIRECTION IN THE ENERGY CONSERVATION AREA

Although the administration has stated its commitment to a vigorous energy conservation program, it has yet to establish overall energy conservation goals and to develop a comprehensive plan to meet those goals. As a result, DOE is not providing clear, consistent direction and leadership regarding the contribution that energy conservation is to make in an overall national energy plan. In our view, the continued lack of both goals and a comprehensive plan can only reinforce the perpetuation of separate, uncoordinated conservation efforts.

Lack of clear energy conservation goals

DOE has not yet established overall national energy conservation goals which articulate the role that conservation must play--in the near, mid, and long term--to satisfy domestic energy needs. DOE has not translated presidential initiatives, such as the NEP and the import reduction program, into such conservation goals. For example, NEP I contained only near-term conservation goals and did not identify a sufficient number of specific actions to meet those goals. Moreover, although the President set a national energy goal in July 1979 of reducing the Nation's dependence on foreign oil by 50 percent by 1990, conservation's contribution to achieving that goal has never been made clear.

While DOE documents imply that sufficient data exists to develop overall energy conservation goals, the Department has not taken a clear position as to what these goals should be to guide program development efforts. For example, the Conservation Objectives document 1/ for 1980 and the Secretary's Annual Report to the Congress indicate that present Federal conservation programs are expected to cut energy use by 20 percent as compared to current projections for the year 2000. However, both documents acknowledge that energy conservation has considerably more potential--savings of up to 40 or 50 percent by the year 2010. Further, other DOE documents, such as the Draft Policy, Programming and Fiscal Guidance paper for fiscal years 1982-86 and the Energy Conservation Program Summary Document for fiscal year 1981, discuss increased levels of potential energy savings (over the anticipated impacts of existing Federal programs) as minimums to be attained and exceeded through a much sharper focus of Federal action than has been the case to date. Thus, although DOE documents admit that considerably more energy can be saved in the various consumption sectors than what is currently projected from existing programs, they do not specify how much conservation is required to meet domestic energy needs or to reduce oil imports.

In addition to a lack of overall goals, we have found that where a specific goal was set for a consumption sector--transportation--it has been continuously revised. DOE has changed its near-term gasoline conservation goal twice in 3 years. In 1977, NEP I established the goal of reducing gasoline consumption in 1985 to 10 percent below the 1976 level. DOE's fiscal year 1979 budget submission indicated that achieving this goal would save nearly 700,000 barrels of oil per day. In fiscal year 1980, DOE stated this goal as one of reducing gasoline consumption 10 percent from the projected 1985 level, which it estimated would reduce consumption by 500,000 barrels of oil per day. By the fiscal year 1981 budget submission, the goal had been changed to achieving a 10-percent reduction in gasoline use from the

---

1/This document, issued in Jan. 1980, was based on a number of earlier draft strategy papers. According to an introductory memorandum by Secretary Duncan, this document describes the conservation goals and specific objectives of DOE for 1980.

level currently projected in the near-term--which is now defined as 1990. DOE still estimates savings of 500,000 barrels of oil per day from achieving this goal, although deferred beyond 1985. The absence of an explanation of the rationale for constantly revising the transportation sector goal raises questions as to the validity or meaningfulness of the goal itself.

Although DOE documents commonly discuss the potential long-term energy savings possible through energy conservation actions, Department officials have expressed a reluctance to set a long-term conservation goal because of what they view as a lack of reliable data. We note, however, that in June 1979 the President set such a goal for the use of solar and renewable resources. In our view, this reluctance to establish overall conservation goals coupled with the continued revision of the transportation goal conveys the impression that the Department is taking a leisurely approach to promoting energy conservation.

Lack of a comprehensive national energy conservation plan

Although the Congress intended that a comprehensive energy conservation plan be developed when it established DOE and the Department has indicated its basic agreement with our previous recommendations on the need for a comprehensive plan, such a plan does not exist. Rather than describe how a national energy conservation strategy will be implemented, DOE planning documents merely catalogue existing or proposed conservation program activities. The Department has not explained how its ever increasing collection of separate programs and activities will reinforce and complement each other to achieve overall national energy conservation goals. Furthermore, since the Department has not established milestones for its programs in the context of achieving long-term goals, it is not clear how the effectiveness of existing programs can be measured and the need for new programs determined.

The lack of an overall conservation strategy is evident in our ongoing review of the effectiveness of Federal energy conservation outreach efforts. We have found that residential outreach programs are being carried out with little regard for one another. At the same time that existing outreach programs are expanding and new ones are gearing up, the President has directed that the Secretary of Energy

pursue an "intensified" national energy conservation outreach program which will involve all segments of the public. Yet, no conservation plan has been developed which explains how the Department's numerous public information activities will be integrated into a unified effort. Moreover, DOE officials have expressed differing views to us on how these activities will be coordinated to avoid duplication of effort. We are concerned that the continued initiation and implementation of major programs on an ad hoc and piecemeal basis will only perpetuate what a recent Ford Foundation study 1/ has characterized as a "disjointed, ill coordinated set of regulatory and educational programs to encourage energy conservation."

In addition, DOE has not related its many separate program activities to overall conservation goals in terms of energy savings or a reduction in the level of imported oil. For example, the Energy Conservation Program Summary Document's discussions of program impacts do not clearly correlate the anticipated savings of individual programs to overall goals. Further, although Secretary Duncan states that the Conservation Objectives document defines in clear terms what DOE expects to produce in 1980 for the manpower and funds expended, we found that this document quantified program activities rather than their expected results in terms of energy savings. For instance, the document states that in the public information area, which is a major Federal conservation tool, over 26 million items of literature will be distributed, 11,000 training sessions held, and exhibits shown almost 8,000 times. However, even if DOE completes all these activities, there is no indication of how much, if any, energy is expected to or will be saved by these efforts.

We are also concerned that DOE has designated 1980 as a year for making decisions about new initiatives or changes in present energy conservation activities without having first developed a comprehensive conservation plan to set the tone and direction for decisionmaking and to provide a mechanism to assess whether existing programs are making progress in meeting conservation goals. Congressional frustration in being asked to approve these new initiatives without knowing if existing efforts are having any impact was evident in re-

---

1/Energy: The Next Twenty Years, Report by a Study Group sponsored by the Ford Foundation and administered by Resources for the Future, Cambridge, Massachusetts, 1979.

cent hearings of the House Appropriations Committee on DOE's request for fiscal year 1980 supplemental funds to launch a paid advertising campaign. Concern was expressed that the Congress was being asked to fund another program when DOE has not explained what energy savings results were being achieved from similar existing efforts.

Without a plan which demonstrates the correlation between Federal program activities and conservation goals, the Congress has little, if any, basis from which to assess the need to continue existing programs or to approve new initiatives. As a result, it is difficult to evaluate which programs represent the best value in terms of energy savings for the funds expended. However, despite this lack of information, the Congress will still be asked to make hard choices on how to allocate limited budgetary resources among competing program demands.

SUGGESTIONS FOR DEVELOPING A NATIONAL ENERGY CONSERVATION PLAN

We believe that DOE's failure to establish overall energy conservation goals and to develop and implement a comprehensive, coordinated national energy conservation plan in support of those goals continues to perpetuate confusion over

--how much energy conservation is needed,

--how well the Nation is doing in its conservation efforts, and

--what more needs to be done over time to realize energy conservation's contribution in solving national energy problems.

The opportunity to develop an aggressive, effective conservation strategy for the Nation should not continue to slip away. We are aware that the Department is in the process of preparing both the third National Energy Plan and an integrated conservation and solar strategy, and that it has recently initiated a new multi-year planning system (the Planning, Programming and Budgeting System). The data generated by these planning efforts should help lay the foundation for the establishment of overall conservation goals and the development of a comprehensive plan. Moreover, we believe that

recent events in the Middle East have increased public and congressional readiness to engage in discussion and debate over the direction of a national conservation program. Accordingly, we are making a number of suggestions which may prove useful in DOE's policy development and planning efforts.

Establishment of conservation goals

It is essential that DOE first establish overall conservation goals in order to provide the long-range policy framework for the development of a comprehensive conservation plan. These goals should clearly spell out the purpose of Federal conservation actions and reflect their relationship to initiatives undertaken to increase the domestic supply of energy and to reduce the level of oil imports. Such goals should do more than just quantify the anticipated savings impacts of existing programs.

Although DOE officials have indicated that a lack of reliable data has prevented conservation goals from being developed, we believe that the formulation of goals need not wait for perfect information. As we have noted above, DOE documents imply that enough information is available, based on in-house analyses and outside studies, to establish at least preliminary goals. The Department's extensive use of contractors for the ongoing conservation and solar strategy effort should also generate additional data which could be used to set meaningful goals. In our view, the setting of conservation goals for the near, mid, and long term is critical to providing a purpose, a direction, and a benchmark from which to measure the need for, and results of, Federal conservation actions.

Development of a plan

Once conservation goals have been agreed upon and established to provide strategy guidance and a policy framework, the development of a plan could begin. Based on our past work in the conservation area, we believe that a comprehensive plan should

--be national in scope and encompass all Federal conservation activities,

--lay out the strategy and the specific actions needed to achieve conservation goals,

--define DOE's leadership role for ensuring the success of the plan,

--establish milestones and a system for monitoring progress toward meeting the goals, and

--involve public discussion and debate on the direction and pace of Federal conservation efforts.

National in scope and encompass all Federal conservation activities

The conservation plan must fit into the framework of an overall national energy policy and be complementary to other initiatives undertaken to increase the domestic supply of energy and to promote the transition to renewable resources. NEP III provides the opportunity to develop such a framework.

The plan should also be more than just a catalogue or summary of DOE programs. It should reflect the total Federal effort to promote conservation. Thus, the responsibilities and activities of all the Federal agencies with programs to foster energy conservation should be spelled out in detail.

Lay out strategy and specific actions

The plan should serve as both a policy document and a management tool by describing the broad Federal strategy and the specific actions required to meet national energy conservation goals. The plan should detail how existing and proposed programs will reinforce one another to constitute an integrated approach for achieving the necessary conservation results.

As part of the process of developing the plan, the energy savings impacts of existing programs should be compared to established conservation goals to determine where to direct future Federal efforts. Once the contributions of existing programs have been assessed, the need for additional conservation actions can be evaluated. In view of a tight Federal budgetary situation, difficult choices will have to be made among any new program and policy options which may be required to meet conservation goals. These options should be presented in the context of currently known opportunities for improving the efficiency of the Nation's use of energy in the major end-use sectors.

In our July 1979 report to the Chairman of the Subcommittee on Energy, Joint Economic Committee, entitled "A Framework for Developing a National Energy Conservation Program," we suggested one possible set of criteria which might be used to evaluate the relative merits and choose among various program alternatives for improving or extending Federal conservation actions. The criteria included such factors as energy savings likely to be saved, cost effectiveness, and environmental implications. We also continue to believe that DOE needs to develop its own set of criteria to effectively assess program options. Thus, once existing Federal programs are assessed and new initiatives chosen to fill the gaps in present efforts, the plan should represent a well thought out strategy for reaching energy conservation goals.

Define DOE's leadership role

The plan should define DOE's role for ensuring the success of Federal actions undertaken to achieve national conservation goals. We have previously pointed out that DOE has refused to acknowledge its leadership role for Federal in-house conservation activities, 1/ and DOE itself has stated recently that it is only one of the Federal agencies with responsibility for conservation. 2/ However, the Congress clearly intended for DOE to be the lead Federal agency in this area and provide direction and coordination for Federal energy conservation actions. We believe that this leadership role should be articulated in a comprehensive conservation plan.

Establish milestones and a monitoring system

The plan should establish milestones and a system for monitoring and evaluating the progress of Federal actions

---

1/"Evaluation of the Plan to Conserve Energy in Federal Buildings Through Retrofit Programs," EMD-78-2, Dec. 22, 1977 and EMD-78-89, July 20, 1978; "Energy Conservation within the Federal Government: the Department of Energy's Role," Testimony of J. Dexter Peach, Director, Energy and Minerals Division before a subcommittee of the House Government Operations Committee, Apr. 24, 1979; and "The Federal Government Needs a Comprehensive Program to Curb its Energy Use," EMD-80-11, Dec. 12, 1979.

2/Department of Energy Conservation Objectives, Calendar Year 1980, Office of Conservation and Solar Energy, Jan. 1, 1980.

in meeting long-term conservation goals. These milestones would serve (1) as a yardstick against which accomplishments can be continuously measured and (2) as a trigger mechanism to signal when additional or different types of actions are needed to achieve the initially established conservation goals. DOE would then be in a position to revise its mix of program activities to achieve a desired level of energy conservation rather than be compelled to change its goal to fit program performance.

Involve public discussion and debate

The process of developing a comprehensive plan should involve public discussion and debate, along the lines of the Solar Domestic Policy Review. Such discussion and debate would assist the public, the ultimate conservation decisionmakers, in understanding the importance of conservation and how their individual actions contribute to the achievement of national conservation goals. This process could foster a commonly understood definition of energy conservation to mean using energy more efficiently rather than curtailment, and go a long way toward developing consumer attitudes and habits receptive to taking conservation actions. DOE's Draft Policy, Programming and Guidance paper for fiscal years 1982-86 notes that the meaning of conservation as used by Government policymakers and as perceived by the 220 million decisionmakers in the country differs substantially. The difference in this perception "impedes the development of a coherent and widely accepted national conservation policy."

CONCLUSIONS AND RECOMMENDATIONS

We continue to believe that the establishment of energy conservation goals and the development of a comprehensive plan is urgently needed for DOE to provide the leadership required to move the Nation toward using energy more efficiently. Although the Department has indicated its agreement with our previous recommendations, the United States still has no clear conservation goals or a comprehensive plan to meet those goals.

In our view, the lack of such goals and a plan to meet those goals continues to convey the impression that the Federal Government is taking a leisurely approach to promoting conservation. On the other hand, the development of a comprehensive plan based on long-term goals would send a signal to the public,

the ultimate energy conservation decisionmakers, that the Federal Government is finally getting its act together and is seriously committed to energy conservation. A plan would also demonstrate that Federal conservation efforts are part of a well thought out cohesive national strategy rather than random activities which may or may not hit conservation targets of opportunity.

The chance to develop an aggressive, effective conservation strategy should not be allowed to slip away. Accordingly, we have made a number of suggestions which may prove useful in DOE's policy development and planning efforts. Once energy conservation goals have been set to provide a long-range policy framework and direction to Federal conservation efforts, the development of a comprehensive plan should begin. This plan must fit into the framework of an overall national energy policy and be complementary to initiatives undertaken to increase the domestic supply of energy and to foster the transition to renewable resources.

Thus, we recommend that the Secretary of Energy:

--Use the NEP III process to develop a long-range national energy policy to provide a framework for the subsequent development of energy conservation goals.

--Establish conservation goals which articulate conservation's contribution--in the near, mid, and long term--to satisfying domestic energy needs, reducing the level of oil imports, and providing for the incremental transition to renewable energy resources.

--Develop a comprehensive national conservation plan which lays out the specific Federal actions required to achieve conservation goals and establishes milestones and a system for monitoring progress toward meeting those goals. DOE's leadership role for coordinating the actions of other Federal agencies and for ensuring the success of the plan should also be clearly spelled out.

In addition, the Secretary should consider establishing a Domestic Policy Review for energy conservation in order to establish overall goals and develop a meaningful plan.

AGENCY COMMENTS

We provided a draft of this report to DOE officials in the Office of Conservation and Solar Energy who expressed general agreement with our findings and recommendations. DOE officials stressed that the setting of conservation goals was a complex process, and such goals would need to be reassessed on an ongoing basis to be meaningful.

We recognize the complexity involved in establishing conservation goals; however, we believe that such goals are a necessary first step for developing a national strategy for increased energy efficiency.

DOE PLANNING AND BUDGETARY DOCUMENTS REVIEWED

National Energy Plan II

Department of Energy Conservation Objectives, Calendar Year 1980, Office of Conservation and Solar Energy, January 1, 1980.

Energy Conservation Program Summary Document, FY 1981, Assistant Secretary for Conservation and Solar Energy, DOE, February 1980.

Draft Policy, Programing and Fiscal Guidance, FY 1982-1986, January 30, 1980.

Secretary's Annual Report to Congress, January 1980, DOE/S-0010(80).

Office of Buildings and Community Systems, FY 1980, Annual Operating Plan, Conservation and Solar Energy, October 1979.

Congressional Budget Request, FY 1981, Volume 7, DOE/CR-0011/Vol. 7 of 7.

Drafts, U.S. Conservation Strategy, November 2, 1979, and December 16, 1979, Prepared by the Office of Assistant Secretary, Conservation and Solar Energy.

The Third Report to Congress, Comprehensive Program and Plan for Federal Energy Education, Extension and Information Activities, Assistant Secretary for Conservation and Solar Energy, Office of State and Local Assistance, March 1980, DOE/CS-0151.

APPENDIX III

PREVIOUS GAO REPORTS

RELATED TO MATTERS DISCUSSED

IN THIS REPORT

Letter Report to the Chairman of the House Committee on Government Operations on the Administration's Energy Goals and Vanpooling, EMD-77-45, June 8, 1977.

Report to the Congress, "An Evaluation of the National Energy Plan," EMD-77-48, July 25, 1977.

Letter Reports to the Secretary of Energy, "Evaluation of the Plan to Conserve Energy in Federal Buildings Through Retrofit Programs," EMD-78-2, December 22, 1977 and EMD-78-89, July 20, 1978.

Report to the Congress, "The Federal Government Should Establish and Meet Energy Conservation Goals," EMD-78-38, June 30, 1978.

Letter Report to the Chairman of the Energy-Related Committees and Subcommittees, on Problems which have Limited the Success of the Nation's Efforts to Conserve Energy, EMD-79-34, February 13, 1979.

Report to the Chairman of the Subcommittee on Energy, Joint Economic Committee, "A Framework for Developing a National Energy Conservation Program," EMD-79-76, July 31, 1979.

Report to the Congress, "The Federal Government Needs a Comprehensive Program to Curb its Energy Use," EMD-80-11, December 12, 1979.

Report to the Chairman of the Subcommittee on Energy Conservation and Supply, Senate Committee on Energy and Natural Resources, "20-Percent Solar Energy Goal--Is There A Plan to Attain It?" EMD-80-64, March 31, 1980.

Letter Report to the Chairman of the Senate Committee on Energy and Natural Resources on Long-Range Planning in DOE, EMD-80-61, May 7, 1980.

003475

*U.S. GOVERNMENT PRINTING OFFICE : 1980- 620-386/237